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Annual Program Statement Number : 492-09-004
Title : **Democracy and Governance Annual Program Statement for FY 2009**
Issuance Date : April 1, 2009
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Closing Time : 4:00p.m., Manila time

The Mission of the United States Agency for International Development for the Philippines (USAID/Philippines) invites applications from U.S. and Non-U.S. organizations, including Philippines, non-profit or for-profit entities to implement democracy and governance activities as described in the Annual Program Statement (APS) under cooperative agreements.

USAID/Philippines will support democracy and governance (DG) programs at the national level and in Mindanao under the U.S. Foreign Assistance framework's objectives "Governing Justly and Democratically" and "Peace and Security".

The authority for this APS is found in the Foreign Assistance Act of 1961, as amended. Awards shall be made in accordance with 22 CFR 226, OMB Circulars A-21 (for universities) or A-122 (for non-profit organizations), ADS 303, and USAID Standard Provisions.

Pending availability of funding, USAID anticipates awarding a limited number of cooperative agreements in response to this APS. A cooperative agreement is an assistance instrument that entails substantial USAID involvement in the areas of work plan approval, designation of key positions and approval of key personnel, and monitoring and evaluation plan approval.

Concept papers may be submitted at any time from April 1, 2009 to May 15, 2009. They will be reviewed on a rolling basis. All awards will be issued by September 30, 2009.

Funding requests should be within the range of funding available for the different program areas (please refer to page 7), for expenditure between one and three years. Applicants may be U.S. and non-U.S., including Philippines, non-profit or for-profit entities. However, no fee or profit will be paid to the cooperative agreement recipient or subgrantees.

Applications will be accepted in two phases: (1) concept papers, and (2) full proposals. If a concept paper is unacceptable, USAID will notify the applicant in writing.

Applicants are encouraged to submit their applications electronically at the following e-mail address: Manila_DG_APS@usaid.gov.

Or by U.S. Mail : USAID/Philippines
Office of Regional Procurement
PSC 502, Box 1
FPO AP 96515-1200.

Or by all other Means: USAID/Philippines
Office of Regional Procurement
8/F PNB Financial Center
Pres. Diosdado Macapagal Boulevard
Pasay City, 1308, Philippines.

Or through Grants.gov at: <http://www.grants.gov/>
Go to the site for application instructions. For Grants.gov technical support, call 1-800-518-4726.

Applicants whose concept papers are accepted will be invited to submit full proposals in electronic format, either by e-mail or by CD. Proposals shall be in two volumes: the first volume shall be the technical proposal; the second volume shall contain the budget and detailed cost information that supports the technical proposal. Applications sent via e-mail or submitted through www.grants.gov are not required to submit a CD.

Award will be made to responsible applicant(s) whose application(s) offers the greatest value to the Government.

This APS is issued as a public notice to ensure that all interested parties have a fair opportunity to submit applications for funding. Issuance of this APS does not constitute an award commitment on the part of the U.S. Government, nor does it commit USAID to pay for the costs incurred in the submission of an application. Furthermore, USAID reserves the right to reject any or all applications received.

In addition, final award of any resultant cooperative agreement cannot be made until funds have been fully appropriated, allocated and committed through internal USAID procedures. While it is anticipated that these procedures will be successfully completed, potential applicants are hereby notified of these requirements and conditions for awards. Applications are submitted at the risk of the applicant. Should circumstances prevent award, all preparation and submission costs are at the applicants' expense,

USAID has a limited amount of funding available for this activity. It anticipates that, at best, only a limited number of proposals will be funded. USAID reserves the right to fund any or none of the applications received.

This APS will be posted at Grants.gov, www.grants.gov. Copies of this APS and any future amendments can be downloaded from this website. It is the responsibility of the recipient of the application document to ensure that it has been received from www.grants.gov in its entirety. USAID bears no responsibility for data errors resulting from transmission or conversion processes.

Any questions concerning this APS should be submitted in writing, via e-mail at Manila_DG_APS@usaid.gov. If there are problems in downloading the APS, please send an e-mail to Manila_DG_APS@usaid.gov. Applicants should retain for their records one copy of all enclosures which accompany their application.

Sincerely,
Raymond L. Edler
Supervisory Regional Agreement Officer
Office of Regional Procurement
USAID/Philippines

USAID/PHILIPPINES DEMOCRACY AND GOVERNANCE ANNUAL PROGRAM STATEMENT FOR FY 2009

This Annual Program Statement (APS) solicits applications from prospective partners to promote democracy and improve governance by complementing the existing activities of the U.S. Agency for International Development (USAID) in the Philippines.

USAID/Philippines will support democracy and governance (DG) programs at the national level and in Mindanao under the U.S. foreign assistance framework's objectives, "Governing Justly and Democratically" and "Peace and Security."

USAID/Philippines currently supports oversight and reform of government budgeting, anti-corruption efforts, initiatives to improve the efficiency and integrity of the judiciary and access to justice, greater transparency and public participation in governance, a fair and transparent electoral process, an empowered civil society and the protection of vulnerable individuals from human trafficking. In Mindanao, USAID/Philippines currently supports programs to strengthen high performing local government units, many of which are located in the Autonomous Region in Muslim Mindanao (ARMM) and other conflict-affected areas. The mission also supports conflict management and mitigation by strengthening local-level dispute resolution mechanisms, thereby preventing the escalation of local disputes into violent conflicts. Grantees implementing this portfolio routinely coordinate efforts and share information; we will require grantees under this APS to do the same.

For fiscal year 2009, USAID/Philippines' priority areas for support in the DG sector are geared towards promoting greater political competition through free, fair and honest elections; promoting human rights; strengthening public participation in governance through reform advocates and civil society actors among others; enhancing transparency and accountability; reducing corruption; broadening access to justice and ensuring the fair and equal application of the law; and reducing conflict, particularly in Mindanao. Specifically, we will consider applications that seek to: 1) improve the conduct and credibility of elections, with particular emphasis on the May 2010 synchronized national elections; 2) bolster the protection of human rights; 3) strengthen local governance in conflict-affected areas of Mindanao, including the strengthening of key accountability mechanisms and promoting greater public participation; 4) support the Supreme Court and other judicial reform activities; 5) support conflict management and mitigation in Mindanao; and 6) enhance anti-corruption efforts at the national and local levels.

Pending availability of funding, USAID/Philippines anticipates awarding a limited number of cooperative agreements in response to this APS. A cooperative agreement is an assistance instrument that entails substantial USAID involvement in the areas of work plan approval, designation of key positions and approval of key personnel, and monitoring and evaluation plan approval.

Concept papers may be submitted at any time up to May 15, 2009. They will be reviewed on a rolling basis. All awards will be issued by September 30, 2009.

Applications are accepted in two phases: 1) concept papers and 2) full proposals. If a concept paper is unacceptable, USAID will notify the applicant in writing.

This APS is issued as a public notice to ensure that all interested parties have a fair opportunity to submit applications for funding. Issuance of this APS does not constitute an award commitment on the part of the U.S. Government, nor does it commit USAID to pay for the costs incurred in the submission of an application. Further, USAID reserves the right to reject any, or all, applications received. Finally, USAID has a limited amount of funding available for this APS, and anticipates that, at best, only a limited number of proposals will be funded.

I. Purpose

The purpose of this APS is to disseminate information about USAID/Philippines' current DG activities and its priorities in the DG sector for FY 2009 to ensure that interested parties will have a fair opportunity to submit applications for funding. This APS also explains the process and criteria for evaluating concept papers and full proposals.

II. Authority

The Annual Program Statement is authorized in accordance with the Foreign Assistance Act of 1961, as amended, (FAA) Sections 621 and 635(b.)

III. Areas of Interest

Governance is broadly defined as the sound exercise of political, economic, and administrative authority to manage a country's resources. It involves the institutionalization of a system through which citizens, organizations, and groups in a society articulate their interests, exercise their rights, and mediate their differences in pursuit of public goods.

Governance problems permeate all aspects of Philippine society and need to be addressed to enhance the Philippines' ability to meet and sustain its own development. Until the private sector and civil society actors work with the Government of the Republic of the Philippines (GRP) on issues such as accountability, transparency, corruption, broad-based participation, and predictability, the Philippines may remain caught in a "development trap." Governance is critical for establishing and sustaining appropriate legal and institutional arrangements to uphold the rule of law and maintain consistency of public policies and programs to reduce poverty, manage scarce resources, reduce conflict and promote a strong economy.

USAID/Philippines encourages grant proposals that creatively address the Mission's FY 2009 DG priorities as mentioned in the U.S. Government's Country Assistance Strategy for the Philippines (Goal 2). These priorities, enumerated on page 7 along with illustrative budget allocations, support the foreign assistance framework's objectives of "Governing Justly and Democratically" and "Peace and Security," and support the Philippine Development Forum's agenda to strengthen governance in the Philippines.
(<http://www.pdf.ph/downloads/PDF%202009%20Closing%20Statement.pdf>)

Current DG Programs: USAID/Philippines addresses a variety of governance issues across all of its technical sectors. In the environment and energy sectors, governance activities center on improving the capacity of local governments to deliver environmental services. This includes provision of technical assistance to local and national government counterparts for them to enhance their capacities to plan and implement activities resulting in improved management of forests, coastal areas, and solid waste, and the promotion of local government investment in sanitation facilities, and in the energy and transport sectors. In the health sector, the HealthGov project works extensively with local government units to develop Provincial Investment Plans for

Health and helps build local capacities to manage and finance health systems and services. In the education sector, our programs build local school board capacity for resource mobilization, education fund management, and engaging local communities and stakeholders in planning, programming, and implementing education programs.

The Office of Economic Development and Governance (OEDG) supports a broad and substantial range of DG programs at the national level and in Mindanao to help create a stable political climate that is conducive to investment and economic growth. These DG programs were partly shaped by the results of an external DG Assessment conducted in August 2006 amidst questions and concerns about the quality and trajectory of Philippine democracy.

At present, the Mission, through OEDG, funds programs in the key DG areas of: electoral reform, judicial reform and the rule of law, anti-corruption, local governance, conflict management and human rights. Significant progress is being made in these areas and opportunities for bringing about systemic change are many.

In the area of electoral reform, USAID support for more vigorous civil society oversight, media reporting and capacity building of the Commission on Elections (COMELEC) led to an improvement in the conduct and credibility of the 2007 mid-term national elections and the 2008 regional elections in the Autonomous Region in Muslim Mindanao (ARMM). Although not without problems, “Bantay Eleksyon” (Election Watch), a broad coalition of civil society organizations (CSOs) that monitored the entire electoral process from campaign to proclamation, rated the 2007 elections as generally fair and credible.

USAID support for the reform program of the Philippine judiciary has helped increase the capacity of judges and court personnel, systematize court operations through case and court management systems, reinforced the importance of ethics, and institutionalized alternative dispute resolution as an acceptable mode of settling disputes. This includes a court-referred mediation process that has successfully reversed the trend of an increasing case backlog and reduced the number of pending cases by almost 200,000 court cases in the last six years. More recently, USAID supported an initiative of the Supreme Court to institute small claims courts for financial cases not exceeding P100,000 (approximately \$2,000) in 22 pilot areas in the Philippines, an activity that can potentially make court processes significantly more efficient and affordable, and broaden access to justice.

USAID manages the Millennium Challenge Account – Philippines Threshold Program, a 2-year, \$21 million technical assistance program designed to help the GRP reduce opportunities for corruption and improve revenue generation. The program is funded by the US Millennium Challenge Corporation and ends in 2009. The Threshold Program supports the enforcement units of the Office of the Ombudsman and the Revenue Integrity Protection Service (RIPS--the internal affairs unit of the Department of Finance). The program provided training support, surveillance and information technology (IT) equipment and various legal resources to RIPS and Ombudsman investigators and Ombudsman prosecutors. It assisted in the formulation of rules and establishment of a system for mediating public grievances brought before the Ombudsman. The program supported a coalition of universities that provide training courses to a broad pool of anti-corruption practitioners. The Threshold Program supported Department of Justice (DOJ) dialogues with Ombudsman prosecutors for the effective prosecution of corruption cases in Regional Trial Courts.

USAID also continues to implement anti-corruption programs that complement work done by the Threshold Program. Support for the Anti-Graft Court (Sandiganbayan) and other anti-corruption agencies of the government such as the Presidential Anti-Graft Commission and the Civil Service Commission are beginning to bear fruit with the adoption of continuous trial on a pilot basis at the Anti-Graft Court and strong corruption prevention measures such as the implementation of a new and improved statement of assets, liabilities and net worth for all government officials. At the national level, USAID strengthened the capacity of civil society organizations, including investigative reporting media organizations, to monitor the national budget from formulation to expenditure and increase the availability of information to the public.

Improvements in local governance in Mindanao have fostered processes for business and civil society to provide input on various local government issues, increased public participation, led to the provision of better services, and helped local governments raise revenue and become more transparent and accountable. In conflict-affected areas, USAID-supported efforts to strengthen dispute resolution mechanisms have also helped expand justice to the poor and prevent clan disputes from escalating into violent conflict, often election-related.

More recently, USAID funding for the promotion and protection of human rights is supporting efforts to create greater understanding in the justice sector and among human rights civil society organizations of special remedies made available by the Supreme Court such as the writs of amparo and habeas data. The capacity of hundreds of prosecutors and judges to prosecute and adjudicate human rights cases, particularly those involving extra-legal killings and enforced disappearances, are also being strengthened.

USAID/Philippines will support applications that best address its DG priorities for FY 2009 in line with the U.S. foreign assistance framework's objectives "Governing Justly and Democratically" and "Peace and Security." The 'Governing Justly and

Democratically" objective includes the following broad program areas: 1) rule of law and human rights; 2) good governance; 3) political competition and consensus building; 4) and civic participation. The emphasis for the "Peace and Security" objective is the conflict mitigation and reconciliation program area. Activities proposed in any application must address or advance the objectives as defined in the foreign assistance framework which can be found at <http://www.state.gov/f/c23053.htm>.

DG activities of USAID in the Philippines capitalize on both governmental and nongovernmental (NGO) initiatives, providing the necessary resources for realizing genuine change. In addition to its existing activities, this APS identifies DG program options in light of both the current political situation and longer term trends with regard to democratic politics and governance in the Philippines. USAID/Philippines invites applicants to submit concept papers to carry out activities consistent with the following FY 2009 DG priorities:

FY 2009 high priority DG areas:

The high priority program areas in democracy and governance listed below are not presented in order of priority. The projected funding levels for these areas in the next two years are also indicated subject to the availability of funds, and the figures are approximate.

1. Improving the conduct and credibility of elections (\$5,000,000);
2. Bolstering protections for human rights (\$2,000,000);

3. Strengthening local governance in conflict-affected areas of Mindanao, including the strengthening a range of key accountability mechanisms and promoting greater public participation (\$2,800,000);
4. Supporting the Supreme Court and other judicial reform activities (\$6,200,000);
5. Supporting conflict management and mitigation in conflict-affected areas of Mindanao (\$2,400,000); and
6. Enhancing anti-corruption efforts at the national and local levels (\$4,700,000).

Applications should fully and clearly demonstrate specific and compelling proposals that build on or complement existing activities in the DG sector funded by USAID, other U.S. government agencies or other donors, or otherwise address an unfilled need. Applications that clearly articulate how the proposed activity complements or adds value to governance activities in other sectors like environment, health and education will have an advantage. Coordination with other USAID projects (e.g. Growth with Equity in Mindanao or Local Initiatives of National Competitiveness for Economic Growth), where relevant, is a must.

Programs and Illustrative Activities:

The following list of activities is only illustrative. Different and innovative ideas are welcome and encouraged.

1. Restoring the credibility of elections and supporting comprehensive electoral reform

It is vital for Philippine democracy that elections not lose credibility as a means for changing administrations. The free, fair and honest conduct of the synchronized national elections scheduled in May 2010 will especially be crucial in restoring the Filipinos' faith in elections as an integral process to Philippine democracy, and will impact investment, growth and livelihoods. USAID envisions a highly targeted approach for its support of electoral reform, focusing on areas where problems have been noted in the past and are likely to be in the future, where limited assistance may have strategic impact, and where assistance and reforms can be monitored by the public.

a. Restoring the credibility of electoral administration

Possible activities include:

Automation of the count. The planned automation of the May 2010 elections entails support for the process from procurement, training and use, and voters' education. Support for transparent, well-informed automation, with an emphasis on "getting the process right" in lieu of automating for technology's sake may be considered.

Public scrutiny of automation. Election automation could be documented and the lessons learned disseminated. Random audits of automated election results could also be supported.

Voter registration. COMELEC has already cleaned the voter rolls in the ARMM and found major discrepancies (around a third of the names were duplicates or otherwise incorrect). COMELEC could be supported, indirectly, to prioritize regions in which the rolls are suspected of being especially faulty and to clean them. Other voter registration activities could also be considered. Any such activities should be paired with a monitoring activity and the results disseminated.

COMELEC budget allocation in Congress. Support could be provided to help COMELEC prepare for the budget process in Congress, and to support public monitoring of the funds it receives and how they are allocated.

Integrity development review. COMELEC could be assisted to better identify and fix organizational vulnerabilities to corruption.

b. Election monitoring organizations

There is a need to encourage major Filipino poll watching/electoral reform organizations to work together. The possible activities below could benefit more from closer coordination among these organizations.

Possible activities:

Voter education and protect-the-vote campaigns. More generic campaigns to explain elections to voters and encourage “ethical” voting are already underway. Resources could also be used on “protect the vote” campaigns in areas where

elections results have been particularly disputed, if such campaigns can safely be developed.

Monitoring of vote counting. Monitoring of the “canvass” especially at the national level will be helpful in preventing election fraud and enhancing the credibility of the election process. The nature of this activity will change somewhat with the planned automation of elections from 2010 onwards and USAID welcomes creative ideas to ensure the integrity of the vote aggregation process. Here perhaps, random audits by election monitoring organizations will play a very helpful role.

c. Media

The importance of media as a partner of the poll-watching community in safeguarding the integrity of the election process is particularly important. Activities that leverage media resources to advance the objectives of an application in this sector will be considered.

Possible activities:

Monitoring campaign spending. Some observers regard the cost of elections in the Philippines as an important factor in the cycle of cheating to win and then the distribution of state patronage to reward supporters. The COMELEC is stretched too thinly, however, to be able to effectively monitor candidate spending. While this is an enormous task, targeted monitoring, for example, of the number of television spots candidates run is possible.

Voter information and education. Media can play a significant role in educating the public, including first time voters, about electoral processes. This role is particularly important given the changes that automation in May 2010 is expected to bring.

d. Addressing election violence

The People's Coalition to Monitor the 2007 Elections (Bantay Eleksyon 2007) reported 300 election-related violent incidents during the election period as of June 12, 2007. Election violence is clearly an alarming problem and targets candidates, government officials, election officers and election supporters alike. Election violence contributes to perceptions of broader instability and raises questions about the electoral process. USAID encourages creative ideas, where practicable, to manage election-related disputes and rivalries and prevent them from degenerating into violence or escalating into full scale conflict.

2. Strengthening human rights monitoring, investigations and advocacy

This includes activities which address the weakness of the rule of law, which can lead authorities and individuals to take the law into their own hands and commit unlawful violent acts with impunity. Work in this area should ideally undertake a holistic approach that involves government policy, the Commission on Human Rights, the Department of Justice, the judiciary, law enforcement agencies, and human rights groups.

Possible activities:

Support for the Commission on Human Rights (CHR). Support for efforts at the national level to process information efficiently and for enhanced field operations in targeted areas, particularly those where both human rights violations are prevalent and where the CHR can leverage other resources, such as civil society, to address violations could be considered. Enhancement of the investigatory skills of CHR will also be important in the development of strong cases against perpetrators of human rights violations.

NGO monitoring, investigation and advocacy. Human rights groups could be supported to improve the coordination of data collection and merger, the analysis of data, and the dissemination of reports, including to the media and international audiences.

Media. Support to media organizations to publicize extralegal killings of political activists and attacks on journalists, and maintain scrutiny over the status of these cases.

Capacity Building. The capacities of judges and prosecutors to handle human rights cases efficiently and effectively can be strengthened. Information campaigns to educate the public, particularly in areas where human rights violations are prevalent, of the various legal recourses available to them could be considered.

3. Strengthening local governance in conflict-affected areas of Mindanao, including strengthening a range of key accountability mechanisms

Decentralization is an important mechanism to hasten the process of democratization and development. One of the fundamental attributes of decentralization is its direct contribution to good governance by providing the context for citizen participation in governance and bringing the government closer to the people, making institutions more accountable and transparent.

USAID/Philippines currently has a substantial program supporting local governance in Mindanao. In the last several years, the Mission's program included support for governance reforms in more than half of Mindanao's 27 cities, more than 100 municipalities and hundreds of barangays. These reforms are informed by input from, and benefit from the support of, business and civil society organizations. Mission support for community and municipal budgeting and planning in the ARMM and adjacent conflict-affected areas has also increased participation from the general public and transparency in internal revenue allotments and local government funding allocations.

Possible Activities:

Building on existing local governance programs. USAID/Philippines will consider funding proposals in areas that reflect lessons learned and build on current USAID-funded local governance programs in Mindanao.

Local government leagues. A second generation of Local Government Unit (LGU) assistance targeting the various local government leagues to: a) institutionalize and strengthen their capacities and perhaps professionalize league staff member to enable them to survive regime and political change; b) strengthen the policy analysis capabilities of league staff members and strengthen their internal capacity through problem-oriented issues and concerns; and c) strengthen links with appropriate national government agencies and design training and capacity-building activities that benefit both national and local governments may be considered.

Best practices. Extrapolating from the success that has been made by the LGUs, it is important to highlight and disseminate the best practices and lessons learned at the LGU level. Currently, the GOP has numerous awards to recognize local initiatives and innovations that have been launched. A USAID-funded project could play an important role in codifying these best practices and replicating or adopting these innovations in geographic areas that are still struggling with implementation and fiscal issues.

LGU incentives. LGUs that show firm will to reform governance processes or proactively plan for future challenges (e.g. dealing with conflict/post-conflict situations, urbanizations, environmental degradation, youth employment, economic growth, etc.) may be rewarded. An integrated master plan for capacity building and training for LGUs through incentive-based programs, competitions, and forums may also be developed.

Internal revenue allotment. The formula for the distribution of the Internal revenue allotment (IRA) may be re-examined and the GRP can be provided technical assistance to consider factors such as performance and poverty when they adjust the IRA. The GRP can also be assisted in designing evaluation criteria to measure progress and performance of LGUs over time. In addition, exploring alternative options for raising local revenues is encouraged.

Track utilization of IRA. Activities that promote transparency in the utilization of the IRA and other revenues, and involve constituents in monitoring local governments' effectiveness in improving service delivery to the public will be considered.

4. Supporting the Supreme Court and Other Judicial Reform Efforts

The judiciary is confronted by a wide array of challenges that affect judicial independence, fiscal autonomy, judicial integrity, judicial competence, efficiency in the administration of justice, and increasing citizen's access to courts.

USAID/Philippines would like to build on its substantial programs in support of the initiatives of the Supreme Court to address these constraints and institute reform. Notwithstanding substantial progress made, judicial efficiency remains a key constraint to the effective administration of justice and a stable socio-political and economic environment in the Philippines. This and the commitment of the current leadership in the Supreme Court to reform argues very strongly for continuing USAID support to respond to new opportunities.

Possible activities:

Judicial efficiency. This may include support for further backlog reduction, modernization of trial practices, expanded use of alternative dispute resolution mechanisms within and outside the court system, court and case management initiatives, etc.

Judicial integrity and accountability. This may include helping the judiciary address issues of corruption, delay, enforcement of judicial ethics, and the establishment of mechanisms to exact more transparency and accountability from the courts.

Access to justice. Activities to broaden access to justice to the poor and underserved sectors could be considered.

Other players. Activities that look beyond the judiciary to support other potential partners in the justice sector, such as the Department of Justice, may also be considered.

5. Supporting conflict management and mitigation in conflict-affected areas of Mindanao

USAID/Philippines will consider creative ideas to reduce the threat or impact of violent conflict and promote the peaceful resolution of disputes.

In the area of conflict management and mitigation, USAID funds were used to support three main initiatives: a) strengthening of community-based dispute resolution mechanisms in conflict-affected areas to prevent disputes from flaring into violent conflict; b) using indigenous modes of dispute resolution to amicably settle existing violent conflict between clans; and c) engaging groups opposed to the peace process to enhance dialogue, explore options, and strengthening the influence of groups supporting the peace process.

Activities that build on these existing programs or innovative and new approaches to manage conflict may be considered.

Possible activities:

Early warning and response mechanisms. Activities that develop and support early warning and response mechanisms to conflict, monitoring systems and peace structures at different levels will be considered. This may include working with local government units in Mindanao to develop crisis response planning and management skills.

Peace advocacy. Conducting surveys to determine knowledge, attitudes and practices vis-à-vis the formal peace process and engaging local communities in the peace process may be considered. This may include supporting informal multi-stakeholder dialogues to stimulate the

exchange of ideas among the various stakeholders.

Media support. Activities to support the media in order to ensure balance, effectively educate the public about peace processes and the various issues involved, prepare the people to accept the outcome of credible negotiations, and generally help develop a constituency for peace may be considered.

6. Enhancing anti-corruption efforts at the national and local levels

With heightened civil society vigilance, broader public awareness and considerable support from international development partners, the clamor for the GRP to sustain its fight against corruption continues. A number of public officials have been convicted by the Sandiganbayan (anti-graft court) and administratively suspended by the Ombudsman for corruption. Agencies reputed to be highly susceptible to corruption, well funded and large departments, and even the Supreme Court are applying the Integrity Development Review (which was developed in 2004 through USAID technical assistance) and other integrity diagnostics to safeguard their systems and processes from corruption. The Ombudsman's Office received considerable budget increases in recent years for the hiring of additional investigators and prosecutors. Meanwhile, the MCC Threshold Program and its predecessor USAID projects supported the expansion of Ombudsman enforcement offices through intensive capacity building, provision of investigation and IT equipment, and various legal knowledge resources (e.g. enforcement manuals and electronic compilation of anticorruption laws).

CSOs efforts are also significant: they are deepening their involvement in public expenditure management, procurement reform, analysis of public perceptions on corruption and the monitoring of government projects. Many of these efforts, however, are still focused at the national level.

Progress in anti-corruption is thwarted by weaknesses in the legal, regulatory and reform environment for anti-corruption. Unlike its counterparts in other jurisdictions, the Ombudsman's Office and other anticorruption agencies are unable to access bank documents for financial investigation and lack enforcement powers necessary in detection work. Legislation that significantly heightens the punitive risks of corruption is needed, which may include: tighter laws on the recovery of proceeds of corruption, whistleblowing reward and protection, immunity of corruption investigation from bank secrecy, search and seizure powers for investigators, sunshine policies that improve society's access to information on government transactions and the progress of corruption cases, among others.

Support is needed in cascading anti-corruption reform from the national to the local/regional level and in documenting best practices of some local government units or local CSOs in corruption prevention that may be applicable to a broader scale.

In view of the current progress of anticorruption reform and cognizant of the remaining challenges, USAID/Philippines solicits applications that will enhance anticorruption efforts of government agencies and civil society organizations, both at the national and local levels. Proposals that build on ongoing and past technical assistance of USAID and the MCC Threshold Program are encouraged. Innovative activities that cascade anticorruption reform from the national to the local level and/or scalable approaches to corruption prevention developed at the local level will be considered. Applicants should present a clear and compelling rationale for the geographic, national or regional, focus of the proposed activities.

Possible activities:

Corruption prevention. Activities that streamline systems and procedures, especially those that are highly vulnerable to corruption, of local government units and/or regional field offices of national agencies for enhanced efficiency, transparency and accountability will be considered. Development and application of a local version of the Integrity Development Review will also be supported.

USAID will consider programs that follow financial flows from tax collection to disbursement to identify where there are internal weaknesses and vulnerabilities; pilot whistleblowing programs; investigate legal and legislative means to reduce monopolies, eliminate collusion, and increase the transparency of government procurements.

Anti-corruption enforcement. Activities that expand or deepen the work of previous USAID anticorruption projects including the Threshold Program are encouraged including renewed support for closer cooperation between the Office of the Ombudsman, Commission on Audit and the Civil Service Commission. Applications can also include court watch programs that monitor the progress of important corruption cases, research or assessments in support of legislation for improved anticorruption enforcement such as a study of the current asset forfeiture regime to assist the government in recovering the proceeds of corrupt activities, and activities that strengthen the regional/local presence of national anticorruption agencies.

Anti-corruption education. Mobilizing public support is crucial in enforcement and prevention work against corruption. Activities that publicize existing channels for reporting corruption, reduce the level of tolerance for corruption in local and national agencies, and support greater civil society vigilance against corruption will be considered.

Anti-corruption education can also include joint workshops with independent accountability agencies, public scorecards or corruption index of local governments, financial disclosure for public officials, and the conduct of studies that illustrate the “cost” of corruption in terms of profit margins and delays in starting a business or completing government projects.

Additional information about our Democracy and Governance Programs can be found at: www.philippines.usaid.gov.

IV. Eligibility

Applicants may be U.S. or Philippines non-profit or for-profit entities. However, no fee or profit will be paid to the grant or cooperative agreement award recipient or subgrantees. Applicants that are selected for funding, who are first time recipients of USAID funds, may have to undergo pre-award financial and management systems reviews.

V. Instructions to Applicants

1. Concept Paper and Summary Budget:

All interested applicants must submit an initial concept paper not to exceed five pages, which includes a cover page/introduction, budget and technical narrative that outlines the following issues:

- a. *Goals/Basis/Strategy* - Include an explanation of the problem to be addressed, the expected goals to be achieved, and a short description of the strategy to be used to achieve the proposed goals;
- b. *Beneficiary Population and Geographic Range of the Program* - Define the characteristics and details of the target population, and geographic area in the Philippines in which the proposed program will be conducted. Include a statement outlining gender issues and how the applicant proposes to address the issues;
- c. *Development Plan and Activity Description* - Include a short description of the activities that will be undertaken to achieve the proposed objective, how this activity supports USAID's program, including a general timeline;
- d. *Expected Impact* - Outline expected results and the mechanisms proposed to measure and monitor progress, achievement and sustainability; and
- e. *Technical/Administrative Capabilities in Proposed Work Area* - Describe your organization's technical and administrative experience and capabilities, including a description of work undertaken in the proposed program area in the Philippines.

Concept papers must include a budget with cost breakdown that allows assessment of cost effectiveness and realism. Concept papers should also specify cost share as well as any resources leveraged through partnerships with public or private institutions. The minimum cost share requirement is 10% of the total cost of the program. Additionally, if the approach includes plans to award sub-grants, the applicant should identify the scope, mechanism and budgetary amounts.

Criteria used to evaluate concept papers shall include the technical merits, cost effectiveness and cost realism of the application, resources leveraged, and previous work and experience of the applicant. Those concept papers deemed to be sufficiently responsive to this APS will be invited to submit a full proposal in the format described in the section below.

2. Full Proposal:

Invited technical proposals in response to this solicitation should address how the applicant intends to carry out the program and clearly describe the work to be undertaken and the responsibilities of all parties. This section should provide a complete overview of the program design and implementation, and be a stand-alone representation of the proposed program. The proposal should also provide a detailed description of how the progress and achievements of the program will be monitored, measured and assessed. The technical approach should also include gender considerations with a focus on the participation and benefits to each gender group, following the gender guidance of USAID in http://philippines.usaid.gov/others_gender.php.

Technical proposals shall not exceed 15 pages, excluding attachments, such as curriculum vitae for proposed staff, documentation on previous contracts or assistance awards. Technical proposals that exceed that limit will not be reviewed. Excessively elaborate presentations should be avoided.

Full proposals submitted should be in the following format:

- a) Table of Contents listing all page numbers and attachments;
- b) Project Abstract not to exceed a one page description;
- c) Body of proposal describing the programs' strategic fit, technical approach and the organization's qualifications and past experience;
- d) Proposed outcomes and impact indicators; not to exceed two pages;
- e) Monitoring and Evaluation Plan; not to exceed two pages;
- f) Detailed budget. The required forms are as follows:
 - Application for Federal Assistance (SF-424),
 - Budget Information, Non-construction Programs (SF-424A),
 - In addition, a budget narrative, which provides cost detail to support the cost elements proposed on the SF-424A. (There is no page limit; however, applicants are encouraged to be as concise, as possible, but still provide the necessary cost detail);
- g) Attachments (annexes) should be lettered; e.g. Attachment A, and can include the resumes of key personnel, letters of support, letters from public entities, and other supporting documents.

The proposals shall take into account the technical evaluation criteria as outlined below under Section VI. B.

VI. Evaluation of Full Proposals

USAID/Philippines applies the following evaluation process and criteria to all proposals:

A. Evaluation Process:

Full proposals received in response to this Annual Program

Statement will be judged using the evaluation criteria stipulated in section VI B. If the proposal does not satisfy all of the criteria but generally has merit (particularly in terms of technical approach and strategic fit), USAID may ask the applicant to resubmit the proposal.

If a proposal is found acceptable, USAID will initiate negotiations for either a grant or a cooperative agreement, whichever USAID decides is appropriate. Additional information may be required at this stage. Likewise, USAID will inform unsuccessful applicants in writing, explaining briefly why the proposal was not selected for funding.

Until an award document is received and signed by an Agreement Officer, no program expenditures will be paid by USAID/Philippines.

B. Evaluation Criteria:

Proposals received in response to this Annual Program Statement will be evaluated against the following selection criteria (the total number of points is 100):

- 1) Technical Approach: Viability of the proposed technical approach, i.e., the proposed technical approach can reasonably be expected to produce the intended outcomes. Applications should fully and clearly demonstrate how the proposed project builds on or complements existing activities in the sector funded by USAID, other U.S. government agencies or other donors, or otherwise addresses an unfilled need. It should demonstrate how linkages or partnerships with other institutions enhance the overall effectiveness of the project. In addition, the application should indicate how the proposed activities as well as expected results or milestones will be tracked, measured and reported. (30 Points)
- 2) Organizational Effectiveness: The ability of the organization to positively affect democracy and governance. The proposal should demonstrate the organization's effectiveness in terms of internal structure, technical capacity, and key personnel, in meeting its democracy and governance goals. In addition, the organization must demonstrate adequate financial management capability. (20 Points)
- 3) Strategic Fit: The likelihood that the program for which funding is sought will make a significant contribution towards achieving an area or areas of interest identified in Section III. (10 Points)
- 4) Gender: Applications should include a statement outlining gender issues and how the applicant proposes to address them. The technical approach in the proposal should also include gender considerations with a focus on the participation and benefits to each gender group. (5 Points)
- 5) Past Performance: All applicants will be subject to a past performance review. Applicants must submit a list of all contracts, grants, or cooperative agreements involving similar or related programs over the past three years prior to receiving an award. Reference information shall include the location, current telephone numbers, points of contact, and award numbers if available. A brief description of work performed is also required. USAID reserves the right to solicit relevant information concerning an applicant's past performance and may consider such information. (10 points)
- 6) Sustainability: The likelihood that the programs being supported will continue beyond and without USAID funding should be addressed in detail. (10 Points)
- 7) Cost Effectiveness: The capability of the organization to contribute to the achievement of the strategic objective at lowest reasonable cost, including completeness, credibility and realism, as well as the ability of the organization to contribute financially or in kind towards the activities of the proposed project. The larger the value of the proposal, the greater the level of results that will be expected. (15 Points)

Application Clarification

USAID may require applications to be clarified or supplemented to the extent considered necessary for evaluation through additional written submission(s).

Awards

Award(s) will be made to the responsible organization(s) whose proposed program, offers the best value to USAID.

USAID may award cooperative agreements, grants and/or fixed obligation grants resulting from this solicitation. Awards to U.S. organizations will be in accordance with 22 CFR 226, OMB Circulars, and USAID Standard Provisions. Mandatory Standard Provisions for Non-U.S. Non-governmental Recipients and the Required as Applicable Standard Provisions for Non-U.S. Non-governmental Recipients will apply. All of these are available at the USAID Internet Site: <http://www.usaid.gov/pubs/ads>.

Cost Sharing

For this APS solicitation, the Applicant's minimum cost share requirement is 10 percent of the total cost of the program. Cost share may be provided as cash or as in-kind cost share. In-kind cost share must directly relate to the scope of specific program.

VII. Administration of Awards

The awards will be administered in accordance with all applicable USG regulations. These documents are available at <http://www.usaid.gov/policy/ads/300/303.pdf>.

Awards will include language prohibiting transactions with, and the provision of resources and support to, individuals and organizations associated with terrorism and any other required certificates. They also will require the inclusion of this prohibition in all subcontracts and sub-awards.

For all organizations, the financial management capability may be assessed through a pre-award survey.

VIII. Point of Contact

Please direct all queries and submit applications to:

Raymond L. Edler
Supervisory Regional Contracting Officer
Attention: Ma. Belinda de la Torre
USAID/Philippines
8th Floor, PNB Financial Center
Diosdado Macapagal Boulevard
Pasay City, 1308, Philippines

Fax: (632) 551-9297

Email Address: Manila_DG_APS@usaid.gov.

USAID reserves the right to fund any or none of the applications submitted.

Disclaimer: While there are numerous firms that offer to provide assistance in preparing concept papers and applications, USAID does not endorse any of these. Further, any costs incurred for such services would not be reimbursable by USAID, in the event an award is issued.